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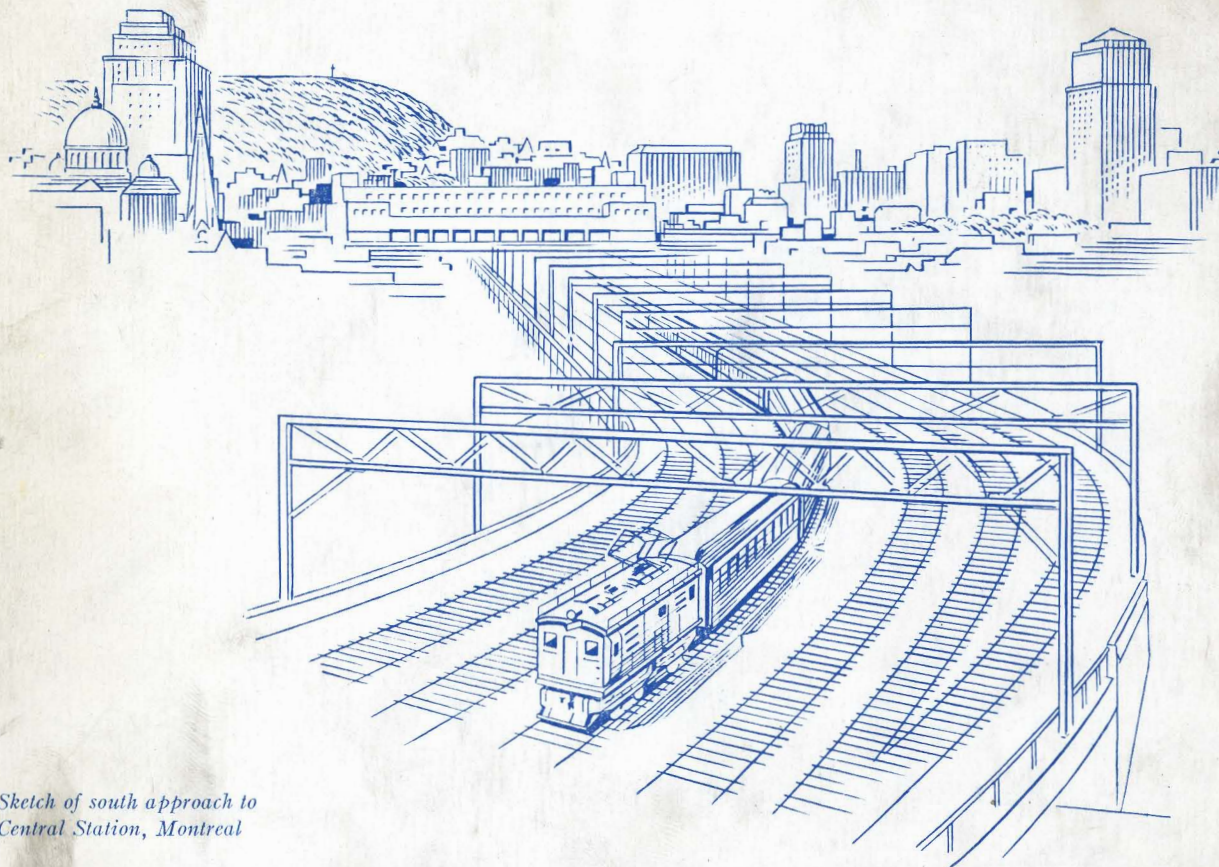
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ANNUAL REPORT

1943

CANADIAN NATIONAL RAILWAYS



*Sketch of south approach to
Central Station, Montreal*

ANNUAL REPORT

of the

CANADIAN NATIONAL RAILWAY
SYSTEM



for the year ended 31st. December, 1943

1455L

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Illustrations of some of the war activities of the Canadian National Railways

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	P. A. CLEWS.....	LONDON
EUROPEAN SECRETARY AND TREASURER		
	A. H. CONEYBEARE.....	LONDON

RESULT OF 1943 OPERATIONS

CONSOLIDATED INCOME ACCOUNT

	1943	1942
RAILWAY OPERATING REVENUES		
Freight.....	\$324,899,723.64	\$288,462,195.29
Passenger.....	66,891,033.94	48,297,257.89
Mail.....	4,047,893.92	3,967,352.40
Express.....	17,490,783.01	13,502,725.78
Commercial Telegraphs.....	7,103,475.65	5,922,227.20
All other.....	20,183,044.42	15,502,784.84
TOTAL OPERATING REVENUES.....	\$440,615,954.58	\$375,654,543.40
RAILWAY OPERATING EXPENSES		
Maintenance of Way and Structures.....	\$ 67,308,429.46	\$ 57,656,537.63
Maintenance and Depreciation of Equipment.....	72,366,530.73	71,540,489.55
Traffic.....	5,647,080.21	5,392,336.65
Transportation.....	159,477,448.33	139,607,558.82
Miscellaneous Operations.....	5,380,416.75	4,002,852.61
General.....	14,295,764.02	10,798,899.46
TOTAL OPERATING EXPENSES.....	\$324,475,669.50	\$288,998,674.72
NET OPERATING REVENUE.....	\$116,140,285.08	\$ 86,655,868.68
Revenue Appropriated for Pension Reserve.....	19,069,000.00	—
NET OPERATING REVENUE AFTER APPROPRIATION FOR PENSION RESERVE	\$ 97,071,285.08	\$ 86,655,868.68
Taxes.....	8,390,677.72	6,020,140.74
Equipment Rents—Net Debit.....	6,488,739.04	5,195,838.43
Joint Facility Rents—Net Debit.....	557,930.13	509,667.98
NET RAILWAY OPERATING INCOME.....	\$ 81,633,938.19	\$ 74,930,221.53
OTHER INCOME		
Income from Lease of Road and Equipment.....	\$ 56,663.39	\$ 55,002.57
Miscellaneous Rent Income.....	864,379.75	796,904.21
Income from Non-transportation Property.....	452,410.38	351,632.50
Results of Separately Operated Properties.....	3,013,645.15	629,843.17
Hotel Operating Income.....	1,030,033.68	569,723.42
Dividend Income.....	685,755.62	573,070.75
Interest Income.....	3,255,316.57	2,680,317.88
Miscellaneous Income.....	556,359.05	1,295,022.30
TOTAL OTHER INCOME.....	\$ 9,914,563.59	\$ 6,951,516.80
DEDUCTIONS FROM INCOME		
Rent for Leased Roads and Equipment.....	\$ 1,246,514.40	\$ 1,483,345.19
Miscellaneous Rents.....	529,207.28	541,459.33
Miscellaneous Taxes.....	91,427.71	96,057.78
Interest on Unfunded Debt.....	219,512.32	192,017.48
Amortization of Discount on Funded Debt.....	1,060,464.64	1,012,379.87
Miscellaneous Income Charges and Appropriations.....	3,068,782.60	2,291,787.85
Profit and Loss Items—Net.....	30,136.27	2,219,230.00
TOTAL DEDUCTIONS FROM INCOME.....	\$ 6,246,045.22	\$ 7,836,277.50
NET INCOME AVAILABLE FOR PAYMENT OF INTEREST.....	\$ 85,302,456.56	\$ 74,045,460.83
Interest on Funded Debt—Public.....	30,998,196.32	34,949,557.92
Interest on Government Loans.....	18,664,848.01	14,032,634.59
CASH SURPLUS.....	\$ 35,639,412.23	\$ 25,063,268.32

CANADIAN NATIONAL RAILWAYS

MONTREAL, MARCH 10, 1944.

THE HONOURABLE J. E. MICHAUD, K.C., M.P.,
MINISTER OF TRANSPORT,
OTTAWA.

Sir,

In conformity with *The Canadian National-Canadian Pacific Act, 1936*, the Board of Directors submit the following report of the operations of the Canadian National Railways for the calendar year 1943.

The objective, as in other war years, was to place the full strength of our manpower and facilities behind the war effort of the United Nations. To this end all energies have been directed.

The requirements of the armed forces, of industry and agriculture, for transport and other services have been met in all of the nine Provinces of the Dominion, and in the important sections of the United States in which we operate. These demands were greater than ever before, the traffic moved over the lines of the System, in 1943, being 17.3% greater than in 1942, the previous peak war year, and 44.7% greater than in 1928, the peak peace year. The Company also extended its activities as a manufacturer of munitions, ships and naval appliances.

Shortages of labour and materials continued to exist and in the face of a record volume of traffic placed an additional strain upon the railway organization. The management takes pride in the work accomplished by the staff in all branches in the fourth year of the war.

The 1943 operations demonstrated the great earning power of the System, the railway proving again that it can handle an immense volume of business economically as well as expeditiously. After providing from revenue for all operating expenses (including deferred maintenance, depreciation, amortization of defence projects and reserve for inventories) and also a reserve for pension contracts, taxes, interest on funded debt and Government loans, the surplus was \$35,639,412. The full income statement for the year appears on the opposite page and shows:

	1943	1942
Operating Revenues.....	\$440,615,954.58	\$375,654,543.40
Operating Expenses.....	324,475,669.50	288,998,674.72
Net Operating Revenue.....	\$116,140,285.08	\$ 86,655,868.68
Revenue Appropriated for Pension Reserve.....	19,069,000.00	—
Net Operating Revenue after appropriation for Pension Reserve.....	\$ 97,071,285.08	\$ 86,655,868.68
Taxes, Equipment and Joint Facility Rents.....	15,437,346.89	11,725,647.15
Net Railway Operating Income.....	\$ 81,633,938.19	\$ 74,930,221.53
Other Income, less deductions..... Cr.	3,668,518.37	Dr. 884,760.70
Interest on Funded Debt—Public.....	30,998,196.32	34,949,557.92
Interest on Government Loans.....	18,664,848.01	14,032,634.59
Cash Surplus.....	\$ 35,639,412.23	\$ 25,063,268.32

All the resources of the Company, human and material, were utilized to the utmost to handle the immense flow of traffic, freight, passenger and express, that developed as the tempo of war quickened during the year. This volume of business was handled by a staff which numbered only 6.9 per cent more than in 1942; with an increase of 0.2 per cent in the number of locomotives owned, and with increases of only 2.5 per cent and of 2 per cent respectively in the numbers of freight and passenger cars owned by the System. It is interesting to note that the vastly increased war traffic in 1943 was handled with 16.6 per cent fewer locomotives, 15.4 per cent fewer freight cars and 5.1 per cent more passenger cars than was the traffic of 1917, the fourth year of the last World War. However, the ability of the System to absorb increased responsibility is dependent upon its obtaining necessary manpower, equipment and materials.

Shortages of general supplies, rationing and other wartime controls, together with greatly increased demands for accommodation and service, placed heavy burdens upon the management of the Company's hotels. The directors, therefore, take special pride in reporting that the high standard of service of the eight all-year-round hotels wholly operated by the Company was fully maintained and that, without exception, these hotels reported larger revenues in 1943 than in 1942. All the summer hotels of the Company remained closed in 1943.

OPERATING REVENUES

Operating revenues were the largest in the Company's history. They amounted to \$440,616,000, exceeding by \$64,962,000 or 17.3%, the former high record established in 1942. The increase on the lines in Canada was 17.7% and on the lines in the United States 14%.

The increase of \$36,438,000 or 12.6% in freight revenue over 1942 is attributable to the fact that in 1943 the System carried more freight than in any other year. There were no increases in rates. To the contrary, the increases in freight rates which became effective March 18, 1942, in the United States, on all commodities except agricultural products, livestock and low grade products of mines, including coal, on which commodities smaller increases were granted, were suspended by the Interstate Commerce Commission, as of May 15, 1943.

Corresponding increases in Canada on international movements, as authorized by the Board of Transport Commissioners, were also suspended on that date.

Diversions of traffic from peace-time routing contributed to the unprecedented volume of freight traffic.

Throughout the year, a number of Orders directed towards regulating movements of certain commodities and increasing the lading of all types of equipment, were issued by the Transport Controller. These, coupled with the co-operation of Boards of Trade, Chambers of Commerce, Industrial Traffic Leagues and individual shippers, helped the Company to achieve considerable conservation of equipment, a factor of importance in enabling it to handle the greatest tonnage in its history.

Passenger traffic again increased, being more than four times that of 1939. Although, because of the numbers of Service personnel carried at very low fares, the average earnings per passenger mile in 1943 were lower than in 1939, they were slightly higher than in 1942. Passenger revenues in 1943 were \$66,891,000, an increase of \$18,594,000 or 38.5% over 1942.

Increases were reported also in other revenue accounts, such as mail, express, sleeping car, dining car and commercial telegraphs.

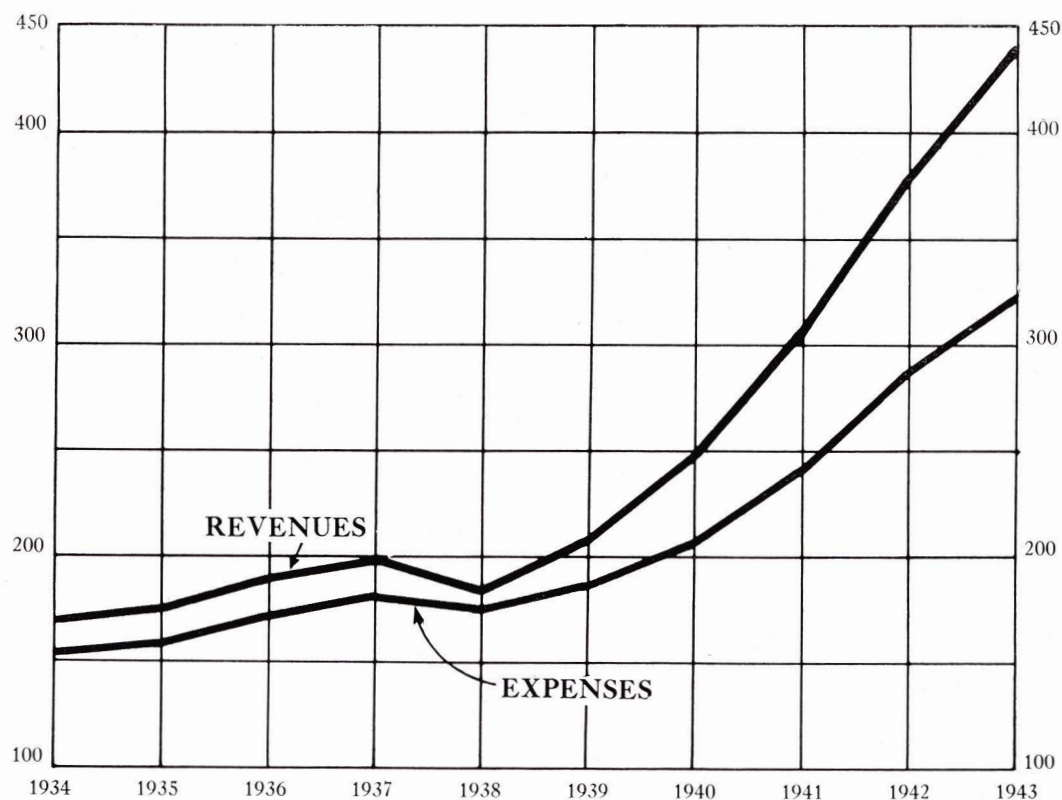
OPERATING EXPENSES

Operating expenses for the year increased \$35,476,000, or 12.28%, as compared with an increase in operating revenues of 17.29%. Out of every additional \$100 of revenue \$45 was carried to net revenue. The comparable figure on Class One railroads of the United States was \$33.80.

The unprecedented volume of traffic, and other circumstances, placed an exceedingly heavy strain upon the entire railway organization. Despite this, the very large movements of war materials and personnel reached their destinations in accordance with schedule arrangements. There was no lowering of the recognized standards of safety.

OPERATING REVENUES AND EXPENSES

Millions of Dollars:—Years 1934 to 1943, inclusive.

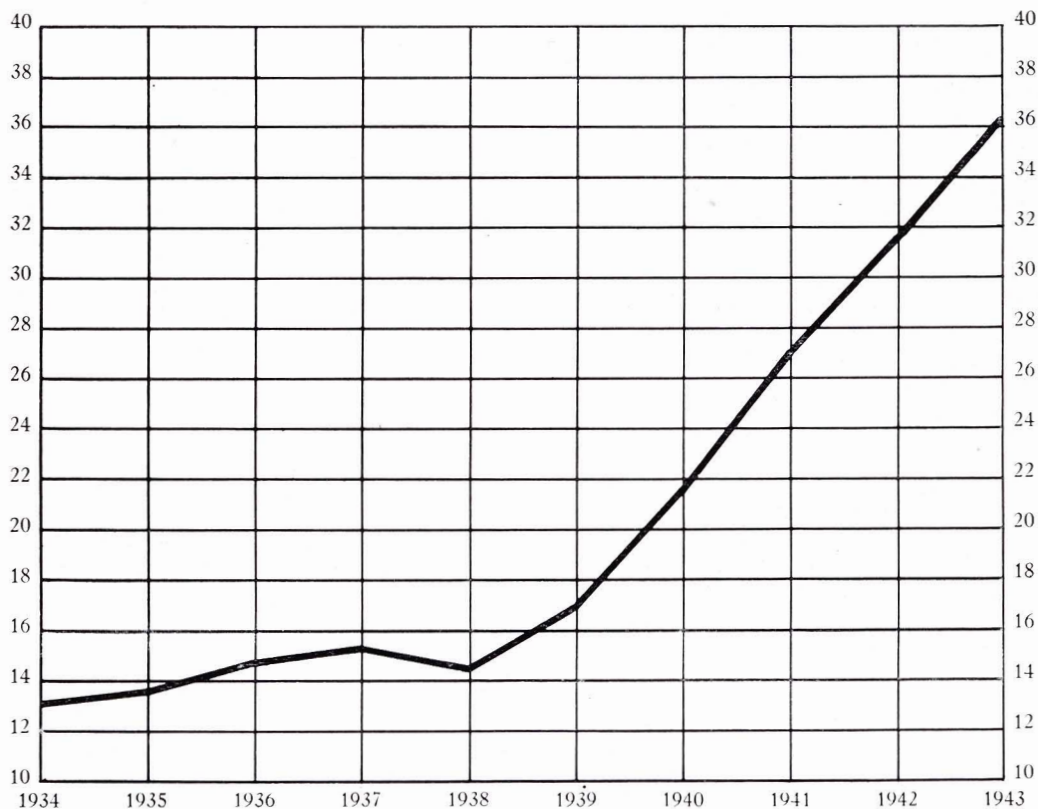


The relationship between additional revenue and expense can be regarded as satisfactory, especially in view of the fact that the maintenance and operating accounts had to carry a number of exceptionally heavy charges. Where it was found necessary to defer repairs and renewals owing to wartime scarcity of labour and materials, reserves were created through charges to operating expenses. Instead of trying to make the most favourable showing possible, the policy was continued of absorbing, out of wartime revenue, the heavy costs created by wartime conditions, thus avoiding carrying such costs forward to the post-war period. The amount charged to operating expenses for deferred maintenance was \$11,150,000. The amount charged for depreciation on locomotives, freight and passenger-train cars, etc., was \$19,829,000, or approximately \$7½ millions more than would be provided under average traffic conditions. An amount of \$1,005,000 was charged for amortization of war projects, and \$1,309,000 for inventory reserve. The cost-of-living bonus paid on Canadian lines amounted to \$18,918,000. Of this sum \$16,396,000 was charged to operating expenses. Increased wage rates on the United States lines increased operating expenses by \$1,556,000. Additional amounts were provided for pensions, as referred to later in the report.

Operating expenses also absorbed the cost of creosoting ties used in replacement. In previous years this cost was charged to investment account. The loss in connection with railway properties retired and not replaced was also charged to operating expenses. In previous years this loss was charged to profit and loss account.

REVENUE TON MILES

Billions of Revenue Ton Miles:—Years 1934 to 1943, inclusive.



Due to the severe winter conditions the cost of removing snow and ice in 1943 was \$3,758,000 as compared with \$2,220,000 in 1942.

The average number of employees in 1943 was 101,126 and the total payroll was \$195,555,000. In the last pre-war year—1939—the number of employees was 78,129 and the total payroll was \$122 millions.

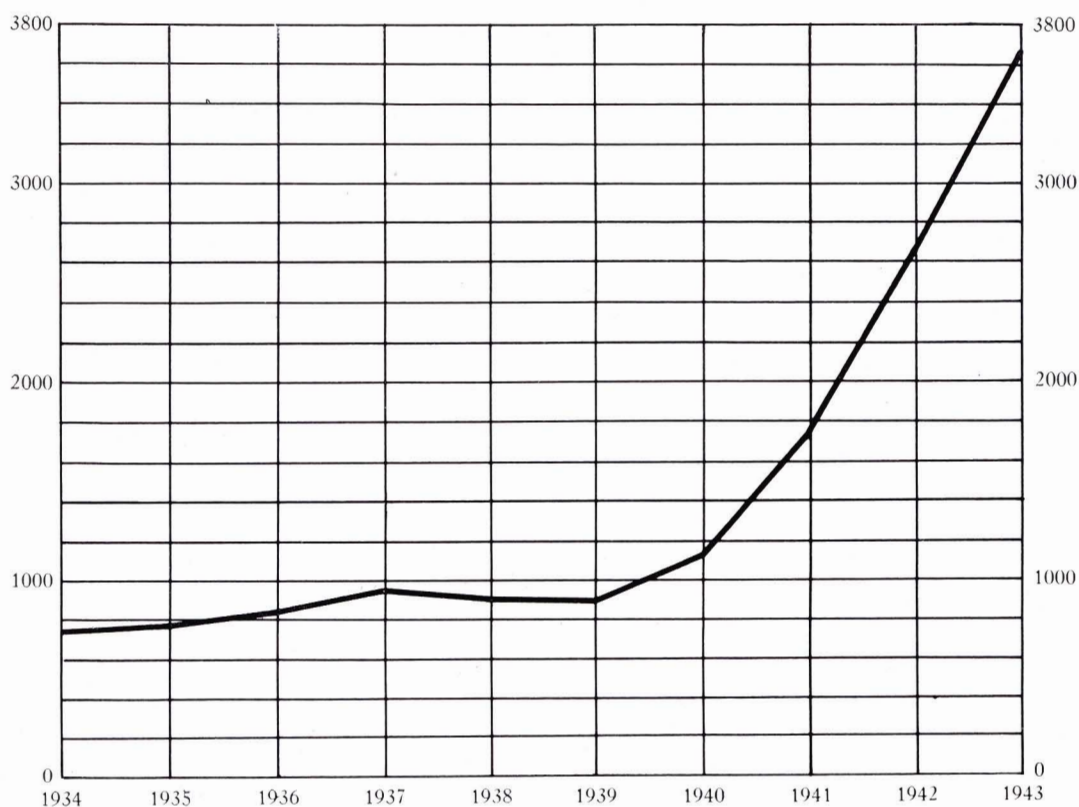
Since the outbreak of war the price of new steel rail has increased by 18.9%; the price of ties by 37.4%; of fuel by 44.4% and of general railway stores by 14.8%. On the revenue side freight rates and passenger fares have been frozen at their pre-war levels. The picture, therefore, is one of frozen selling prices on the one hand and substantially increased costs on the other, the railway having to depend on its ability to handle the additional volume of traffic on a sharply reduced operating ratio in order to produce the greatly improved returns reported herein. The operating ratio for the year was 73.64% (an all-time record) as compared with 76.93% in 1942 and 81.99% in the peak peace year of 1928.

PENSIONS

Previous annual reports have indicated that reserves were not being set up against pensions being paid or conditionally accruing under the 1935 contractual plan and prior non-contractual plans. Heretofore the practice has been to charge currently to operating expenses the actual pension payments made at the expense of the Company. Advantage

REVENUE PASSENGER MILES

Millions of Passenger Miles:—Years 1934 to 1943, inclusive.



has been taken of the opportunity afforded by the abnormally high revenues of 1943, to put the accounting for pension contracts issued under the 1935 contractual plan on a fund reserve basis. The reserve, which at December 31, 1943, amounted to \$21,607,000, is invested in Dominion Government securities. Of the proportion of the reserve payable at the expense of the Company, \$19,069,000 pertains to the period prior to 1943 and for that reason has been separated from the normal operating expenses for the year. With respect to pensions under prior non-contractual plans, the practice will be continued of charging currently to operating expenses the actual pension payments made at the expense of the Company.

The Pension Contract Fund above referred to is separate from the Annuity Trust Fund in which are carried pension contributions (and interest thereon compounded) made by employees who are still in active employment. This latter fund, of which the Company is trustee, is not an asset of the Company and therefore is not included in its balance sheet. The amount of the Annuity Trust Fund at December 31, 1943, was \$15,903,636, also invested in Dominion or Dominion-guaranteed securities.

SURPLUS FOR THE YEAR

After deducting the appropriation of \$19,069,000 above referred to from the net operating revenue of \$116,140,000, there remained a balance of \$97,071,000. The income statement shows the various accounts which must then be provided for, consisting of taxes, equipment and joint facility rents \$15,437,000; various income credits and debits \$3,668,000; interest on funded debt held by the public \$30,998,000; and interest on government loans \$18,664,000. When these are deducted, there is left a net surplus of \$35,639,000, compared with a net surplus of \$25,063,000 in 1942.

CAPITAL EXPENDITURE ACCOUNT

The capital expenditures during the year amounted to \$23,333,089, details of which are given on page 22. Of the total expenditure \$19,148,543 was for new equipment, of which 28 Northern type locomotives, 2,238 box cars, 237 gondola cars, 250 hopper cars, 100 refrigerator cars, and 50 box-baggage cars were acquired under hire-purchase agreements with the Dominion Government.

FINANCE

The total funded debt outstanding was reduced during the year by \$64,983,601 and now stands at \$744,232,472 as shown on the balance sheet and, in detail, on pages 23 and 24. There were no new issues. The retirements were as under:

2% 7-Year Guaranteed Bonds, matured February 15, 1943	\$55,000,000.00
Various securities repatriated under the arrangements referred to in the 1942 Annual Report—par value	2,229,055.80
4½% Canadian Northern Western First Mortgage Debenture Stock and Bonds, matured October 22, 1943	1,728,735.60
2% 1927 Guaranteed Debenture Stock retired	218,810.19
Equipment Trust annual principal payments	5,807,000.00
	<u>\$64,983,601.59</u>

The total of Government loans outstanding was increased during the year by \$34,467,304 and now stands at \$537,323,765 as shown on the balance sheet and, in detail, on page 24.

Additions

Balance of 1942 capital requirements received January-March 1943	\$ 4,878,863.24
Loans to retire 2% 7-Year Bonds at par, and various securities repatriated at market value	57,119,333.89
Loans under Order-in-Council P.C. 1-9007, 1942	578,000.00
Loans to acquire Atlantic and St. Lawrence Railroad Company shares under repatriation arrangements	2,748,758.47
Loans under Equipment Hire-Purchase Agreement 1941	11,426,281.48
Loans under Equipment Hire-Purchase Agreement 1943	5,671,111.11
	<u>\$82,422,348.19</u>

Retirements

Loans repaid out of 1942 surplus earnings	\$15,063,268.32
Loans repaid out of 1943 surplus earnings	30,000,000.00
Equipment Hire-Purchase annual principal payments	2,891,775.68
	<u>\$47,955,044.00</u>
Net Increase	<u>\$34,467,304.19</u>

The outstanding Government loans, \$537,323,765, have been utilized for the following purposes:

Repatriation of securities having a par value of \$408,009,463.31 acquired at a cost to the Company of	\$388,757,134.77
Redemption of matured securities, under the 1938 Refunding Act	94,107,807.96
Purchase of new rolling stock under hire-purchase agreements between the Government and the Company	40,551,822.63
Additional working capital necessitated by wartime conditions	13,906,999.71
	<u>\$537,323,765.07</u>

Interest on all these loans is being paid out of income, the total for the year being \$18,664,848.

Measures taken during the year for the more complete consolidation of the corporate structure of the System included (a) the acquisition of control through ownership of the capital stock of the Atlantic and St. Lawrence Railroad Company (b) transfer to that Company of the properties of the New England Elevator Company and the Portland Elevator Company (c) transfer to the Grand Trunk Western Railroad Company of the railway properties of the Cincinnati, Saginaw and Mackinaw Rail Road Company (d) transfer to the Canadian National Railway Company of the railway properties of The Toronto Belt Line Railway Company and of The Irondale Bancroft and Ottawa Railway Company. These are transactions of an inter-corporate nature and do not change the operated mileage of the System.

CENTRAL STATION, MONTREAL

The Company opened its new Central Station in Montreal in July, providing that city with the largest and most modern passenger station in Canada. After further necessary steps have been taken, it will make possible the long-sought consolidation of the Company's

passenger train services in the metropolitan area. It also improved facilities for the handling of express, baggage and mail, and greatly assisted in the solution of the grade crossing situation in the heart of the city. It paves the way for a re-arrangement of freight handling facilities on the Island of Montreal with resulting benefit to the commerce of the nation. As the Central Station has been designed to support large structures on the overhead rights surrounding it for several blocks, its completion presents an opportunity for a business and civic development of magnitude and beauty in the centre of Montreal.

LINE CONSTRUCTION

Tenders have been called for the construction of a new line from Eastern Junction to Bout de l'Ile on the Island of Montreal.

This line forms part of the broad plan for the solution of the grade crossing situation on the Island of Montreal, under Orders of the Board of Transport Commissioners. Its construction was approved by Parliament in 1931 and sufficient funds were voted for the purpose. However, circumstances intervened and apart from the acquisition of nearly all the land required for the right-of-way, no further expenditures were made. Wartime traffic having thrown an exceptionally heavy burden upon the facilities on the Island of Montreal, the construction of this line at the earliest possible moment became imperative and authority was therefore sought by Order-in-Council under the War Measures Act to proceed immediately with its construction.

It will improve the service given to industries along the Company's lines in the eastern and western sections of the Island; will open new industrial sites to development; make possible the residential development of a very large area in the northeast section of the Island, and will further consolidate the passenger services entering the city by giving passenger trains from Chicoutimi, Lake St. John and other North Shore points direct access to the Central Station. It will be of direct economic value to the railway and is a wartime necessity because it will shorten by 76 miles the distance now covered by freight trains between Longue Pointe and Turcot Yard, thus speeding traffic movements and making possible a material saving in operating expenses.

It will also make possible the abandonment of 32 miles of track on the Montfort-Joliette line, which was authorized by the Board of Transport Commissioners in 1940; an abandonment which will result in the recovery of 6,200 tons of steel, as compared with the 6,000 tons needed to build the new line.

The cost of construction of this new line, which is about 14 miles in length, is estimated at \$2,870,000.

LINE ABANDONMENTS

An application was made to the Board of Transport Commissioners, in co-operation with the Canadian Pacific Railway, for approval of the abandonment of 37.9 miles of line between Arnprior and Eganville, Ont. The hearing is pending.

STEEP ROCK DEVELOPMENT

To facilitate development of the hematite iron ore deposits at Steep Rock Lake, Ontario, the Company, as agent for the Government, is arranging for the construction and

operation of a spur to the Steep Rock property from a point on the Canadian National line near Atikokan, and for the construction and operation of an ore dock at Port Arthur. It is anticipated that shipments of ore will start in the latter part of 1944.

CANNAR OILS LIMITED

Cannar Oils Limited, wholly-owned subsidiary of the Company, which embarked upon a programme of drilling 50 wells in the Vermilion field in Alberta, had 12 wells in production by December 31, 1943, with 4 additional wells awaiting installation of pumps and servicing. This programme was undertaken solely as a measure of protection against loss of supplies of fuel oil due to enemy action.

VICTORY LOAN CAMPAIGNS

Large purchases of bonds were made by Canadian National personnel in the two Victory Loan campaigns conducted during the year. In the Fourth Victory Loan campaign in April, 68,744 employees subscribed \$6,825,000 and in the Fifth campaign in October, 80,361 employees invested \$8,599,600 in Victory Loan bonds. The cumulative total of employees' purchases in these two campaigns, therefore, was \$15,424,600. Of this total the employees of Trans-Canada Air Lines subscribed \$302,550 and those of National Railways Munitions, Limited \$305,800. Both campaigns were conducted under the direction of an efficient and aggressive canvassing organization set up within the System.

Employees invested a further \$1,917,894 in War Savings Certificates during the year through a payroll deduction plan.

In addition to individual purchases by employees, the Company invested a combined total of \$29,927,050 in Fourth and Fifth Victory Loan bonds for account of reserves and other funds, such as Maintenance, Pension Annuity Trust Fund, Pension Contract Fund, Insurance Investment Fund, etc.

The employees on lines in the United States subscribed substantial amounts for U.S. war bonds during the year.

OTHER WAR ACTIVITIES

The System has been privileged to assist the war effort by other means than the provision of transportation by land, sea and air. The operations of Trans-Canada Air Lines are fully dealt with in its annual report. National Railways Munitions, Limited has continued to manufacture naval gun barrels and field artillery carriages at Point St. Charles. In its Pacific Coast shipyards, the Company has met its schedules for the construction and repair of naval and cargo vessels. The Fort Rouge Shops have engaged successfully in the manufacture of certain types of naval mountings. A number of hospital cars, which the Company's Medical Department helped to design, have already been usefully employed. Canadian National ships distinguished themselves in war service on the high seas, among them the "Lady Nelson," formerly flagship of the Canadian National West Indies fleet, and now a hospital ship, and H.M.C.S. "Prince Robert," which prior to becoming an important member of Canada's Fighting Navy was in the Company's Vancouver-Alaska service.

The Company was honoured in being selected to provide extensive train and other services for Prime Minister Churchill, President Roosevelt and Madam Chiang Kai-shek during their visits to Canada in 1943, and also for a long list of other men and women prominently engaged in the war effort of the United Nations.

The management and staff are justly proud of the Company's Honour Roll. A number of employees have already laid down their lives in the service of their country and to their families deepest sympathy is expressed.

His Majesty the King has been pleased to decorate a number of Canadian National men in the Armed Forces and Merchant Navy, and honours also have been bestowed upon some civilian members of the staff for outstanding work in carrying out their railway duties.

POST-WAR PERIOD

The post-war period will bring many problems. It would be unsafe to predict that the present high volume of traffic will continue; competition will undoubtedly be accentuated and the railway industry will have to fight hard to earn its fair share of traffic against the competition of water, highway and air transport.

Changing conditions will call for new methods of railway operation and new types of service and there must needs be a continuing search for improvement in all aspects of the railway industry. In view of this, the Company has in hand a programme of research. This programme, in addition to considering ways and means of improving service and efficiency of operation, also encompasses the problems of post-war reconstruction and rehabilitation.

GENERAL

The traditional harmonious relations between management and employees were maintained throughout the year.

The officers and employees in all departments of the System have worked hard and loyally to cope with increased responsibilities arising out of the war, and the directors record their appreciation and thanks. Appreciation also is expressed to shippers and the travelling public alike for their co-operation in and sympathetic understanding of difficult operating conditions caused by the war.

For the Board of Directors,

A handwritten signature in dark ink, appearing to read 'A. B. [unclear]', with a long horizontal line extending from the end of the signature.

Chairman and President.

CENTRAL STATION, MONTREAL



The north and east façades of the station building.



This view shows approximately one-half of the concourse. The entrance to the restaurant is seen in the background of the photograph; down the centre are the stairways and escalators joining the concourse and the train platforms.

CONSOLIDATED BALANCE SHEET

ASSETS			
INVESTMENTS:			
Road and Equipment Property.....	\$1,922,473.373.98		
Improvements on Leased Property.....	2,981,299.66		
Miscellaneous Physical Property.....	66,163,602.23	\$1,991,618,275.87	
Sinking Funds:			
System Securities at par.....	\$ 437,751.80		
Other Assets at cost.....	354,327.78	792,079.58	
Deposits in lieu of Mortgaged Property Sold:			
System Securities at par.....	\$ 1,966,500.00		
Other Assets at cost.....	2,609,845.78	4,576,345.78	
Deferred Maintenance Fund.....		22,552,000.00	
Investments in Affiliated Companies.....		38,855,047.36	
Other Investments:			
System Securities at par.....	\$ 211,000.00		
Other Assets at cost.....	616,053.86	827,053.86	\$2,059,220,802.45
CURRENT ASSETS:			
Cash.....		\$ 15,391,404.37	
Special Deposits.....		7,538,398.33	
Net Balances Receivable from Agents and Conductors.....		17,498,419.75	
Miscellaneous Accounts Receivable.....		20,117,599.08	
Material and Supplies.....		53,963,978.15	
Interest and Dividends Receivable.....		454,876.60	
Rents Receivable.....		321,379.70	
Other Current Assets.....		14,013,862.48	129,299,918.46
DEFERRED ASSETS:			
Working Fund Advances.....		\$ 250,097.49	
Insurance Fund:			
System Securities at par.....	\$ 10,613,062.06		
Other Assets at cost.....	1,616,474.35	12,229,536.41	
Pension Contract Fund.....		21,088,000.00	
Other Deferred Assets.....		3,793,686.47	37,361,320.37
UNADJUSTED DEBITS:			
Rents paid in Advance.....		\$ 162,052.40	
Discount on Funded Debt.....		7,822,564.95	
Other Unadjusted Debits.....		2,873,449.81	10,858,067.16
			<u>\$2,236,740,108.44</u>

CERTIFICATE

We have examined the books and records of the companies comprising the System and subject to our report to Parliament, we certify that, in our opinion, the above view of the affairs of the System as at the 31st. December, 1943, and that the same are correctly stated.

10th. March, 1944.

AT 31st. DECEMBER, 1943.

LIABILITIES

STOCKS:

Capital Stocks of Subsidiary Companies held by Public.....	\$	4,770,140.00
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LONG TERM DEBT:

Funded Debt Unmatured:

Held by Public.....	\$	731,004,158.74	
Held in Special Funds.....		13,228,313.86	744,232,472.60

DOMINION OF CANADA (Accounts treated as assets in Public Accounts of Canada):

Loans.....	\$	537,323,765.07	
Canadian Government Railways—Working Capital.....		16,771,980.54	554,095,745.61

CURRENT LIABILITIES:

Traffic and Car-Service Balances—Credit.....	\$	11,319,878.86	
Audited Accounts and Wages Payable.....		13,445,282.04	
Miscellaneous Accounts Payable.....		5,093,371.32	
Interest Matured Unpaid.....		7,279,233.38	
Unmatured Interest Accrued.....		6,480,976.02	
Unmatured Rents Accrued.....		204,178.12	
Accrued Tax Liability.....		4,261,958.82	
Other Current Liabilities.....		6,843,540.51	54,928,419.07

DEFERRED LIABILITIES:

Pension Contract Reserve.....	\$	21,607,000.00	
Other Deferred Liabilities.....		8,681,332.64	30,288,332.64

UNADJUSTED CREDITS:

Insurance Reserve.....	\$	12,229,536.41	
Accrued Depreciation—Canadian Lines—Equipment only.....		39,327,563.21	
Accrued Depreciation—U.S. Lines—Road and Equipment.....		19,061,696.72	
Deferred Maintenance Reserve.....		24,000,000.00	
Other Reserves.....		7,653,648.36	
Other Unadjusted Credits.....		13,857,119.27	116,129,563.97

DOMINION OF CANADA—PROPRIETOR'S EQUITY—(See Note)

Represented by:—

1,000,000 shares of no par value capital stock of Canadian National Railway Company.....	\$	18,000,000.00	
5,000,000 shares of no par value capital stock of The Canadian National Railways Securities Trust.....		336,680,462.71	
Capital Expenditures by Dominion of Canada on Canadian Government Railways.....		377,614,971.84	732,295,434.55

CONTINGENT LIABILITIES:

Major contingent liabilities, as shown on statement attached.

\$2,236,740,108.44

NOTE:—The Proprietor's Equity is included in the net debt of Canada and is disclosed in the historical record of Government assistance to railways as shown in the Public Accounts of Canada in accordance with The Canadian National Railways Capital Revision Act, 1937.

T. H. COOPER,
Comptroller.

OF AUDITORS

Canadian National Railway System for the year ended the 31st. December, 1943, Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct relative Income Account for the year ended the 31st. December, 1943, is

GEORGE A. TOUCHE & CO.,
Chartered Accountants.

DOMINION OF CANADA—PROPRIETOR'S EQUITY ACCOUNT

	Balance at 31st. Dec., 1942	Transactions in 1943	Balance at 31st. Dec., 1943
CAPITAL STOCK OF CANADIAN NATIONAL RAILWAY COMPANY..	\$ 18,000,000.00		\$ 18,000,000.00
CAPITAL STOCK OF THE CANADIAN NATIONAL RAILWAYS SECURITIES TRUST.....	298,842,882.17		
Transactions of the Canadian National Railway System during the year 1943:—			
Surplus earnings per the Consolidated Income Account		\$ 35,639,412.23	
Capital Gain on repatriation of securities.....		2,430,284.25	
Capital Loss on abandonment of Regina freight line cut-off.....		232,115.94	
		<u>\$ 37,837,580.54</u>	336,680,462.71
CAPITAL EXPENDITURES BY DOMINION OF CANADA ON CANADIAN GOVERNMENT RAILWAYS.....	377,885,131.95		
Transfers of property to government departments at original cost.....		\$ 270,160.11	377,614,971.84
	<u>\$694,728,014.12</u>	<u>\$ 37,567,420.43</u>	<u>\$732,295,434.55</u>

OPERATING REVENUES

	1943	1942
Freight.....	\$320,758,860.87	\$284,427,334.25
Maritime Rates Reduction.....	4,140,862.77	4,034,861.04
Passenger.....	66,891,033.94	48,297,257.89
Baggage.....	130,045.98	117,175.53
Sleeping Car.....	4,177,870.17	2,952,807.96
Parlor and Chair Car.....	217,126.00	285,926.35
Mail.....	4,047,893.92	3,967,352.40
Railway Express Agency.....	630,036.91	492,511.29
Express.....	16,860,746.10	13,010,214.49
Other Passenger-Train.....	14,079.88	15,947.45
Milk.....	432,293.55	327,131.84
Switching.....	3,092,258.36	2,884,872.48
Water Transfers.....	137,498.71	133,677.23
Dining and Buffet.....	4,711,769.37	3,133,256.51
Restaurants.....	131,986.46	22,612.05
Station, Train and Boat Privileges.....	432,043.30	298,421.28
Parcel Room.....	149,151.84	89,558.56
Storage—Freight.....	97,879.32	123,437.22
Storage—Baggage.....	80,652.28	48,872.07
Demurrage.....	2,442,762.99	1,772,752.18
Telegraph Commissions (U.S.).....	14,096.83	12,162.10
Telegraph—Commercial.....	7,089,378.82	5,910,065.10
Grain Elevator.....	530,487.67	528,267.38
Rents of Buildings and Other Property.....	633,436.54	566,689.71
Miscellaneous.....	2,162,239.27	1,753,320.73
Joint Facility—Credit.....	713,175.05	570,939.88
Joint Facility—Debit.....	103,712.32	122,881.57
	<u>\$440,615,954.58</u>	<u>\$375,654,543.40</u>

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES

	1943	1942
Superintendence.....	\$ 3,400,526.42	\$ 3,347,753.82
Roadway Maintenance.....	6,976,895.50	6,304,724.89
Tunnels and Subways.....	50,985.29	101,281.33
Bridges, Trestles and Culverts.....	1,838,391.52	2,386,493.81
Ties.....	6,190,555.28	5,214,706.04
Rails.....	3,237,902.31	2,944,779.24
Other Track Material.....	2,774,329.90	2,365,972.61
Ballast.....	1,437,333.74	1,204,389.97
Track Laying and Surfacing.....	15,801,141.43	14,117,355.58
Fences, Snowsheds and Signs.....	467,317.50	496,884.09
Station and Office Buildings.....	2,201,496.33	2,133,215.05
Roadway Buildings.....	288,416.79	259,663.68
Water Stations.....	488,874.36	593,114.87
Fuel Stations.....	258,153.91	276,061.74
Shops and Enginehouses.....	451,188.58	2,873,778.68
Grain Elevators.....	44,037.08	350,094.03
Wharves and Docks.....	249,368.66	214,376.03
Coal and Ore Wharves.....	33.16	8,081.38
Telegraph and Telephone Lines.....	970,338.59	912,553.50
Telegraph—Commercial.....	998,103.66	871,689.15
Signals and Interlockers.....	996,918.24	838,901.73
Power Plants.....	8,023.77	7,859.51
Power Transmission Systems.....	110,311.74	92,022.70
Miscellaneous Structures.....	2,884.36	1,667.78
Road Property—Depreciation—U.S. Lines.....	763,317.87	22,817.37
Road Property—Retirements.....	2,286,928.41	—
Deferred Maintenance.....	8,150,000.00	4,350,000.00
Roadway Machines.....	467,957.41	422,025.55
Dismantling Retired Road Property.....	111,193.83	—
Amortization of Defence Projects.....	1,005,600.84	1,002,696.17
Small Tools and Supplies.....	777,648.28	727,166.58
Removing Snow, Ice, and Sand.....	3,758,971.39	2,220,020.47
Public Improvements—Maintenance.....	293,874.98	270,057.48
Injuries to Persons.....	515,272.59	448,736.51
Insurance.....	20,017.20	21,794.90
Stationery and Printing.....	59,994.41	62,537.71
Other Expenses.....	37,349.52	47,634.22
Maintaining Joint Tracks, Yards, etc.—Debit.....	838,314.80	656,193.83
Maintaining Joint Tracks, Yards, etc.—Credit.....	1,570,372.58	1,242,433.63
Right of Way Expenses.....	51,366.39	46,746.79
Protective Services.....	497,466.00	683,122.47
	<u>\$ 67,308,429.46</u>	<u>\$ 57,656,537.63</u>

OPERATING EXPENSES (Continued)

MAINTENANCE OF EQUIPMENT

	1943	1942
Superintendence.....	\$ 1,380,610.64	\$ 1,443,653.13
Shop Machinery.....	1,405,443.40	1,974,094.97
Power Plant Machinery.....	65,296.35	172,242.68
Machinery—Retirements.....	280,173.62	—
Machinery—Depreciation—U.S. Lines.....	64,968.69	—
Dismantling Retired Machinery.....	6,017.31	—
Steam Locomotives—Repairs.....	20,520,105.61	19,021,873.12
Other Locomotives—Repairs.....	187,668.43	157,163.82
Freight-Train Cars—Repairs.....	14,406,357.85	13,964,564.74
Passenger-Train Cars—Repairs.....	7,960,260.28	6,732,699.30
Floating Equipment—Repairs.....	400,698.33	262,588.03
Work Equipment—Repairs.....	1,873,455.01	1,659,361.17
Express Equipment—Repairs.....	144,423.02	151,491.52
Miscellaneous Equipment—Repairs.....	116,630.53	105,531.01
Miscellaneous Equipment—Retirements.....	2,719.28	—
Dismantling Retired Equipment.....	64,536.76	56,075.67
Equipment—Depreciation.....	19,829,613.32	16,974,945.14
Express Equipment—Depreciation.....	156,206.50	—
Injuries to Persons.....	433,855.00	325,834.64
Insurance.....	19,028.25	20,143.79
Stationery and Printing.....	47,004.37	49,239.06
Other Expenses.....	11,949.24	14,690.68
Joint Maintenance of Equipment—Debit.....	207,565.49	162,569.35
Joint Maintenance of Equipment—Credit.....	218,056.55	208,272.27
Deferred Maintenance—Equipment.....	3,000,000.00	8,500,000.00
	<u>\$ 72,366,530.73</u>	<u>\$ 71,540,489.55</u>

TRAFFIC

Superintendence.....	\$ 1,972,998.40	\$ 1,890,285.07
Outside Agencies.....	2,624,847.08	2,470,681.25
Advertising.....	381,445.84	361,231.53
Traffic Associations.....	105,822.89	107,300.71
Stationery and Printing.....	291,048.74	292,186.41
Other Expenses.....	17.52	615.69
Industrial Bureau.....	95,089.70	87,558.02
Colonization, Agriculture and Natural Resources.....	175,810.04	182,477.97
	<u>\$ 5,647,080.21</u>	<u>\$ 5,392,336.65</u>

TRANSPORTATION

Superintendence.....	\$ 3,510,848.32	\$ 3,517,511.59
Dispatching Trains.....	2,034,611.77	1,887,968.29
Station Employees.....	21,028,176.95	19,057,298.39
Weighing, Inspection, and Demurrage Bureaus.....	90,708.24	90,211.44
Station Supplies and Expenses.....	1,600,008.13	1,488,617.01
Yardmasters and Yard Clerks.....	4,141,427.14	3,519,878.51
Yard Conductors and Brakemen.....	7,869,756.38	7,084,554.33
Yard Switch and Signal Tenders.....	789,635.34	689,892.34
Yard Enginemen.....	5,145,431.14	4,660,449.24
Yard Motormen.....	430,985.09	352,325.02
Yard Switching Fuel.....	6,297,106.30	5,164,506.94
Yard Switching Power Produced.....	9,632.05	9,628.33
Yard Switching Power Purchased.....	101,380.03	72,949.02
Water for Yard Locomotives.....	198,213.39	183,882.53
Lubricants for Yard Locomotives.....	80,672.60	75,723.31
Other Supplies for Yard Locomotives.....	49,464.72	42,122.12
Enginehouse Expenses—Yard.....	1,771,962.44	1,470,367.98
Yard Supplies and Expenses.....	166,628.40	156,618.84
Operating Joint Yards and Terminals—Debit.....	1,558,270.73	1,354,427.58
Operating Joint Yards and Terminals—Credit.....	1,965,670.87	1,873,925.67
Train Enginemen.....	14,612,370.91	13,456,416.11
Train Motormen.....	114,602.84	112,922.87
Train Fuel.....	33,447,645.27	27,712,029.98
Train Power Produced.....	17,916.08	12,360.89
Train Power Purchased.....	58,537.43	38,202.57
Water for Train Locomotives.....	1,279,597.99	1,183,171.34
Lubricants for Train Locomotives.....	540,069.96	483,470.42
Other Supplies for Train Locomotives.....	284,984.01	235,993.03
Carried Forward.....	\$105,264,972.78	\$ 92,239,574.35

OPERATING EXPENSES (Continued)

TRANSPORTATION (Continued)

	1943	1942
Brought Forward.....	\$105,264,972.78	\$ 92,239,574.35
Enginehouse Expenses—Train.....	5,152,917.65	4,394,091.64
Trainmen.....	16,250,269.83	14,941,560.21
Train Supplies and Expenses.....	9,839,359.66	8,063,339.47
Operating Sleeping Cars.....	1,762,137.90	1,495,983.62
Signal and Interlocker Operation.....	519,634.20	471,830.46
Crossing Protection.....	764,211.32	711,091.44
Drawbridge Operation.....	121,717.82	119,177.70
Telegraph and Telephone Operation.....	389,983.62	357,470.56
Telegraph—Commercial.....	4,721,131.28	4,442,485.42
Operating Floating Equipment.....	1,152,710.36	1,025,644.50
Express.....	7,742,672.35	6,498,139.59
Stationery and Printing.....	650,390.99	597,244.11
Other Expenses.....	1,139,639.79	1,000,282.34
Operating Joint Tracks and Facilities—Debit.....	743,402.61	719,103.42
Operating Joint Tracks and Facilities—Credit.....	492,321.93	478,661.78
Insurance.....	11,645.86	11,656.56
Clearing Wrecks.....	556,223.80	384,231.96
Damage to Property.....	68,201.67	80,822.68
Damage to Live Stock on Right-of-Way.....	76,953.33	56,388.15
Loss and Damage—Freight.....	1,412,664.81	1,001,152.72
Loss and Damage—Baggage.....	13,682.08	7,987.02
Injuries to Persons.....	1,615,246.55	1,466,962.68
	<u>\$159,477,448.33</u>	<u>\$139,607,558.82</u>

MISCELLANEOUS

Dining and Buffet Service.....	\$ 4,897,656.95	\$ 3,746,868.66
Restaurants.....	138,501.21	21,924.36
Grain Elevators.....	305,397.73	196,159.47
Other Miscellaneous Operations.....	38,860.86	37,900.12
	<u>\$ 5,380,416.75</u>	<u>\$ 4,002,852.61</u>

GENERAL

Salaries and Expenses of General Officers.....	\$ 473,179.16	\$ 464,452.27
Salaries and Expenses of Clerks and Attendants.....	5,607,560.78	4,419,955.96
General Office Supplies and Expenses.....	292,898.58	263,866.64
Law Expenses.....	339,984.73	344,478.99
Relief Department Expenses.....	27,500.00	27,500.00
Pensions.....	7,083,929.75	4,859,896.18
Stationery and Printing.....	203,924.51	162,232.43
Valuation Expenses.....	14,237.01	12,251.56
Other Expenses.....	222,827.27	222,381.03
General Joint Facilities—Debit.....	40,909.03	36,946.59
General Joint Facilities—Credit.....	11,186.80	15,062.19
	<u>\$ 14,295,764.02</u>	<u>\$ 10,798,899.46</u>

PROPERTY INVESTMENT ACCOUNT

Expenditures Year 1943

ROAD:

Montreal Terminal Development, Chapter 12-1929.....	\$ 258,454.07	
Rails and Fastenings.....	373,274.60	
Tie Plates and Rail Anchors.....	577,607.56	
Ballast.....	167,979.84	
Ditching, Drainage and Sewers.....	60,318.74	
Large Freight Terminals.....	262,409.58	
Large Passenger Terminals.....	117,489.75	
Yard Tracks and Sidings.....	909,562.59	
Roadway Machines.....	206,262.95	
Bridges, Trestles and Culverts.....	349,630.86	
Crossing Protection including Subways.....	75,175.37	
Stations and Station Facilities.....	333,813.46	
Shops, Enginehouses and Machinery.....	317,296.04	
Signals and Interlockers.....	898,141.21	
Telegraphs—Railway.....	45,819.34	
Telegraphs—Commercial.....	374,023.89	
Assessments for Public Improvements.....	50,667.53	
Land.....	88,524.53	
General Additions and Betterments.....	162,101.90	\$ 5,451,504.75

EQUIPMENT:

Equipment Purchased or Built.....	\$19,148,543.65	
Equipment Retirements.....	1,454,181.00	
General Betterments to Equipment.....	20,773.03	
Equipment Conversions and Transfers.....	72,456.63	
Express and Miscellaneous Equipment.....	41,752.02	17,829,344.33

HOTELS..... 4,897.93

SEPARATELY OPERATED PROPERTIES..... 47,342.53

NET ADDITIONS AND BETTERMENTS DURING 1943..... \$23,333,089.54

Ledger Balances 1st. January, 1943.....	\$1,960,812,337.81	
Net Additions and Betterments during the year.....	\$23,333,089.54	
Acquisition of Atlantic and St. Lawrence Railroad Co.....	8,480,700.00	
Adjustment with respect to transfer to Canadian National Railway Company of the railway properties of the Toronto Belt Line Railway Company and of The Irondale Bancroft and Ottawa Railway Company.....	17,100.00	
Transfer between balance sheet accounts of property donated to the Railway.....	488,475.43	
Regina Freight Line Cut-off abandoned.....	232,115.94	
Property transfers from Canadian Government Railways to other Government Departments.....	270,160.11	30,805,938.06
Ledger Balance at 31st. December, 1943.....	<u>\$1,991,618,275.87</u>	

FUNDED DEBT—PRINCIPAL AND INTEREST

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1943	Interest Accrued 1943
GUARANTEED BY DOMINION OF CANADA:					
5% Perpetual Debenture Stock.....	G.T.R.	1875 to 1883	Perpetual	\$ 1,566,288.00	\$ 74,185.48
5% G.W. Perp. Debtr. Stock and Bonds.	G.T.R.	1858 to 1876	Perpetual	1,002,582.00	46,730.79
4% Perpetual Debenture Stock.....	G.T.R.	1883 to 1918	Perpetual	7,228,143.67	296,198.54
4% Nor. Rly. Perpetual Debtr. Stock...	G.T.R.	July 31, 1884	Perpetual	38,529.40	1,166.63
3% 1st. Mortgage Bonds.....	G.T.P.	July 1, 1905	Jan. 1, 1962	26,465,130.00	793,953.90
4% Sterling Bonds.....	G.T.P.	July 1, 1914	Jan. 1, 1962	7,999,074.00	319,962.96
3% 1st. Mortgage Debenture Stock....	Can. Nor.	July 29, 1903	July 10, 1953	1,204,339.39	32,853.23
3½% 1st. Mortgage Debenture Stock...	Can. Nor.	Mar. 1, 1910	July 20, 1958	5,647,653.49	197,533.97
6½% Sinking Fund Debenture Bonds...	Can. Nor.	July 1, 1921	July 1, 1946	23,754,000.00	1,544,010.00
3½% 1st. Mortgage Debenture Stock...	C.N.A.	Mar. 22, 1911	May 4, 1960	551,505.27	18,715.31
3½% 1st. Mortgage Debenture Stock...	C.N.O.	Dec. 8, 1911	May 19, 1961	4,034,179.54	136,495.59
5% 30 Year Guaranteed Bonds.....	Can. Nat.	Feb. 1, 1924	Feb. 1, 1954	50,000,000.00	2,500,000.00
4½% 30 Year Guaranteed Gold Bonds...	Can. Nat.	July 1, 1927	July 1, 1957	64,136,000.00	2,886,120.00
5% 40 Year Guaranteed Gold Bonds...	Can. Nat.	July 1, 1929	July 1, 1969	56,704,000.00	2,835,200.00
5% 40 Year Guaranteed Gold Bonds...	Can. Nat.	Oct. 1, 1929	Oct. 1, 1969	57,728,500.00	2,886,383.58
5% 40 Year Guaranteed Gold Bonds...	Can. Nat.	Feb. 1, 1930	Feb. 1, 1970	17,338,000.00	866,900.00
4¾% 25 Year Guaranteed Gold Bonds...	Can. Nat.	June 15, 1930	June 15, 1955	48,503,000.00	2,303,277.31
4½% 25 Year Guaranteed Gold Bonds...	Can. Nat.	Feb. 1, 1931	Feb. 1, 1956	67,368,000.00	3,031,560.00
4½% 20 Year Guaranteed Gold Bonds...	Can. Nat.	Sept. 1, 1931	Sept. 1, 1951	48,022,000.00	2,160,990.00
3% 16 Year Guaranteed Bonds.....	Can. Nat.	Dec. 15, 1934	Dec. 15, 1950	20,500,000.00	615,000.00
3% 9 Year Guaranteed Bonds.....	Can. Nat.	May 1, 1935	May 1, 1944	35,000,000.00	1,050,000.00
3% 17 Year Guaranteed Bonds.....	Can. Nat.	Feb. 15, 1936	Feb. 15, 1953	25,000,000.00	750,000.00
2¼% 7 Year Guaranteed Bonds.....	Can. Nat.	Feb. 1, 1937	Feb. 1, 1944	15,500,000.00	348,750.00
3% 15 Year Guaranteed Bonds.....	Can. Nat.	Feb. 1, 1937	Feb. 1, 1952	20,000,000.00	600,000.00
3% 13 Year Guaranteed Bonds.....	Can. Nat.	Dec. 15, 1937	Dec. 15, 1950	30,000,000.00	900,000.00
2¼% 7 Year Guaranteed Bonds.....	Can. Nat.	Jan. 15, 1939	Jan. 15, 1946	15,000,000.00	337,500.00
3% 20 Year Guaranteed Bonds.....	Can. Nat.	Jan. 15, 1939	Jan. 15, 1959	35,000,000.00	1,050,000.00
Total Issues Guaranteed by Dominion of Canada.....				\$ 685,290,924.76	\$28,583,487.29
GUARANTEED BY PROVINCE OF NEW BRUNSWICK:					
4% 1st. Mortgage Debenture Stock....	St. J. & Q.	May 14, 1912	June 1, 1962	\$ 648,450.73	\$ 25,586.81
GUARANTEED BY PROVINCE OF BRITISH COLUMBIA:					
4% 1st. Mortgage Debenture Stock....	C.N.P.	Nov. 16, 1911	Apr. 2, 1950	971,785.73	35,310.36
4½% Terminal Debenture Stock.....	C.N.P.	1913 and 1914	Apr. 2, 1950	1,165,819.74	51,044.01
Total Issues Guaranteed by Provincial Governments.....				\$ 2,786,056.20	\$ 111,941.18
EQUIPMENT TRUST ISSUES:					
5% Series "K".....	Can. Nat.	May 1, 1929	Ser. 1, 5, '44	\$ 1,200,000.00	\$ 80,000.00
5% "G.T.W.".....	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	276,000.00	27,281.80
5% "C.V.R.".....	G.T.W.	Dec. 14, 1929	Ser. 14, 12, '44	41,000.00	4,241.39
5% "C.V.R.".....	C.V.R.	Dec. 14, 1929	Ser. 14, 12, '44	72,000.00	7,326.67
4½% "L".....	Can. Nat.	June 1, 1930	Ser. 1, 6, '45	2,100,000.00	114,187.50
2½% "O".....	Can. Nat.	Aug. 1, 1937	Ser. 1, 8, '47	5,720,000.00	163,854.17
2¾% "P".....	Can. Nat.	Sept. 15, 1938	Ser. 15, 9, '53	5,100,000.00	149,989.58
2½% "Q".....	Can. Nat.	July 1, 1939	Ser. 1, 7, '49	3,900,000.00	105,625.00
2½% "G.T.W.".....	G.T.W.	June 1, 1941	Ser. 1, 6, '51	4,267,000.00	116,175.00
Total Equipment Trust Issues.....				\$ 22,676,000.00	\$ 768,681.11
Carried Forward.....				\$ 710,752,980.96	\$29,464,109.58

FUNDED DEBT—PRINCIPAL AND INTEREST (Continued)

NAME OF SECURITY	Issuing Company	Date of Issue	Date of Maturity	Principal Outstanding at Dec. 31, 1943	Interest Accrued 1943
Brought Forward.....				\$710,752,980.96	\$29,464,109.58
OTHER ISSUES:					
4% Canada Atlantic 1st. Mtge. Bonds...	G.T.R.	Jan. 1, 1905	Jan. 1, 1955	9,962,028.00	398,081.46
6% Northern Railway 3rd. Pref. Bonds...	G.T.R.	1868	Perpetual	2,433.33	146.00
4% 1st. Mortgage Bonds.....	Pem. Sou.	Sept. 1, 1906	Sept. 1, 1956	150,000.00	6,000.00
4% 2nd. Mtge. Bonds, Prairie "A".....	G.T.P.	Apr. 1, 1905	Apr. 1, 1955	3,586,680.00	143,476.92
4% 2nd. Mtge. Bonds, Mountain "B"...	G.T.P.	Apr. 1, 1905	Apr. 1, 1955	3,167,748.00	126,372.06
4% 1st. Mtge. Bonds, "Lake Superior"...	G.T.P.	Apr. 1, 1905	Apr. 1, 1955	2,155,896.00	86,188.98
4% Perpetual Cons. Debenture Stock...	Can. Nor.	1903 to 1912	Perpetual	4,190,964.07	151,741.00
4% Perpetual Cons. Debenture Stock...	C.N.O.	June 21, 1909	Perpetual	972,997.53	36,923.02
4% Perpetual Cons. Debenture Stock...	C.N.Q.	Oct. 1906	Perpetual	470,212.46	17,892.04
4% 1st. Mtge. Perp. Debenture Stock...	Q.&L.St.J.	June 1, 1912	Perpetual	315,272.40	12,506.42
4% 1st. Mortgage Bonds.....	G.T.W.	Nov. 30, 1900	July 1, 1950	6,551,372.00	262,295.84
4 1/2% 1st. Mortgage Series "A" Bonds...	G.T.W.	Jan. 1, 1930	Jan. 1, 1980	400,000.00	18,000.00
4% Indebtedness of S. S. & C. Co.....	C.V.R.	Aug. 27, 1858	Optional	155,865.25	6,234.61
4% 1st. Mortgage Gold Bonds.....	M. & P. L.	Oct. 1, 1900	Oct. 1, 1950	200,000.00	8,000.00
5% Indebtedness to Province of N.B....	Can. Nat.	Sept. 3, 1929	Various	1,198,022.60	59,901.13
Interest on Securities matured in 1943.....					200,327.26
Total Other Issues.....				\$ 33,479,491.64	\$ 1,534,086.74
Total Debt held by Public (including therein \$13,228,313.86 par value held in Special Funds and Accounts) as per Balance Sheet.....				\$ 744,232,472.60	\$30,998,196.32

These obligations are stated in Canadian currency, Sterling and United States currencies being converted at the par of exchange. This schedule does not include securities in the Railway treasury or those held by The Canadian National Railways Securities Trust, or by the Dominion Government as collateral.

DOMINION OF CANADA—LOANS

(Treated as Assets in Public Accounts of Canada)

	Principal Outstanding at Dec. 31, 1943	Interest Accrued 1943
3 1/2% Advances, Refunding Act, 1938.....	\$ 69,418,415.43	\$ 2,498,071.45
2% Advances, Refunding Act, 1938.....	24,689,392.53	493,787.86
3 1/2% Advances for Repatriation of G.T.R. Debenture Stock.....	106,949,109.26	3,729,211.56
3 1/2% Advances for Repatriation of other Railway Securities.....	281,808,025.51	9,837,494.75
3% Purchase of Railway Equipment, 1936 (Repayable 1938-1950).....	3,620,211.59	113,131.62
3 1/2% Purchase of Railway Equipment, 1940 (Repayable 1941-1955).....	11,903,619.82	426,899.69
3 1/2% Purchase of Railway Equipment, 1941 (Repayable 1943-1957).....	19,356,880.11	633,039.89
3 1/2% Purchase of Railway Equipment, 1943 (Repayable 1945-1959).....	5,671,111.11	43,351.95
3 1/2% Temporary Loan for Working Capital.....	13,906,999.71	486,744.98
Interest on Loans repaid in 1943.....		403,114.26
	\$ 537,323,765.07	\$18,664,848.01

INVESTMENTS IN AFFILIATED COMPANIES

COMPANY	Total Par Value Outstanding	Owned by Can. Nat. System	
		Par Value	Book Value
STOCKS:			
The Belt Railway Company of Chicago	\$ 3,120,000.00	\$ 240,000.00	\$ 240,000.00
Canadian Government Merchant Marine, Limited.	800.00	800.00	800.00
Central Vermont Transportation Company	200,000.00	50,000.00	20,000.00
Chicago & Western Indiana Railroad Company	5,000,000.00	1,000,000.00	1,000,000.00
The Detroit & Toledo Shore Line Railroad Company.	3,000,000.00	1,500,000.00	1,542,000.00
Detroit Terminal Railroad Company	2,000,000.00	1,000,000.00	1,000,000.00
Northern Alberta Railways Company	625,000.00	312,500.00	312,500.00
(representing amount paid up, i.e. 10%)			
The Ontario Car Ferry Company (Limited)	500,000.00	250,000.00	179,007.53
The Public Markets, Limited	1,150,000.00	575,000.00	575,000.00
Railway Express Agency, Incorporated (no par value)	1,000 shares	6 shares	600.00
The Toronto Terminals Railway Company	500,000.00	250,000.00	250,000.00
The Toledo Terminal Railroad Company	4,000,000.00	387,200.00	387,200.00
Trans-Canada Air Lines	4,600,000.00	4,600,000.00	4,600,000.00
(representing amount paid up, i.e. 92%)			
Vancouver Hotel Company Limited	150,000.00	75,000.00	75,000.00
			<u>\$10,182,107.53</u>
BONDS:			
Northern Alberta Railways Co. 1st. Mortgage Bonds	\$27,230,000.00	\$13,615,000.00	\$13,615,000.00
The Toronto Terminals Railway Co. 1st. Mortgage Bonds	25,610,000.00	12,805,000.00	12,805,000.00
			<u>\$26,420,000.00</u>
ADVANCES:			
Chicago & Western Indiana Railroad Company			\$ 2,016,744.63
The Railroad Credit Corporation			93,512.93
Railway Express Agency, Incorporated			126,246.02
Vancouver Hotel Company Limited			16,436.25
			<u>\$ 2,252,939.83</u>
			<u>\$38,855,047.36</u>

MAJOR CONTINGENT LIABILITIES

TRANS-CANADA AIR LINES:

The Canadian National Railway Company owns \$5,000,000 of the Capital Stock of the Air Lines on which total call to 31st. December, 1943, has been \$4,600,000.

NORTHERN ALBERTA RAILWAYS COMPANY:

The Canadian National Railway Company owns \$3,125,000 of the Capital Stock of the Railways Company on which total call to date has been 10%.

Under agreement of purchase dated 6th. February, 1929, Canadian National Railway Company became liable for one-half of the purchase consideration for the property. This obligation was later assumed by Northern Alberta Railways Company which took title to the property. As of 31st. December, 1943, the commitment of the Canadian National Railway Company was \$1,210,000. The Canadian National Railway Company takes up currently in its income account one-half of the annual surplus or deficit of Northern Alberta Railways Company.

THE DETROIT & TOLEDO SHORE LINE RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company as joint and several guarantor by indorsement of principal and interest of \$3,000,000 First Mortgage 4%—50 Year Gold Bonds due 1953.

THE TOLEDO TERMINAL RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company in respect of \$5,800,000 First Mortgage 4½%—50 Year Gold Bonds due 1957. The guarantee is as to interest only and is several and not joint. Grand Trunk Western's proportion is 9.68%.

CHICAGO & WESTERN INDIANA RAILROAD COMPANY:

Assumed by Grand Trunk Western Railroad Company, pursuant to joint supplemental lease dated 1st. July, 1902, between Grand Trunk Western Railway Company and four other proprietary companies. Obligation is for repayment of principal of bonds at their maturity, and of interest as it falls due by way of annual rentals. The Grand Trunk Western's obligation is for one-fifth of the bonds issued for "common" property and the entire amount of bonds issued for its "exclusive" property. The bonds are Consolidated Mortgage 50 Year 4% bonds due 1952 and the amounts outstanding at 31st. December, 1943, are:—

Issued for "common" property.....	\$39,973,019.39
Issued for "exclusive" property.....	252,535.36

Assumed by Grand Trunk Western Railroad Company pursuant to joint supplemental lease dated 1st. March, 1936, between Grand Trunk Western Railroad Company and other proprietary companies. Obligation is to pay as rental sinking fund payments sufficient to retire bonds at maturity and interest as it falls due. The Grand Trunk Western's proportion is one-fifth in the absence of default of any of four other tenant companies. The bonds are First and Refunding Mortgage 4¼% Series "D" Sinking Fund Bonds due 1962 and the amount outstanding at 31st. December, 1943, is \$19,452,000.

C.N.R. PENSION PLANS:

Reserves have been set up against contracts in force under the 1935 contractual plan, but not against pensions conditionally accruing under that plan or prior non-contractual plans.

COMPANIES COMPRISING THE CANADIAN NATIONAL RAILWAY SYSTEM

CAPITAL STOCKS OWNED BY DOMINION OF CANADA

Company Number		
1	Canadian National Railway Company	\$ 18,000,000.00
2	The Canadian National Railways Securities Trust	336,680,462.71
		<u>\$354,680,462.71</u>

CAPITAL STOCKS OWNED BY SYSTEM OR PUBLIC

	NAME OF ISSUING COMPANY	Owned by Company Number	Capital Stock Issued	Owned by Public
3	Atlantic and St. Lawrence Railroad Company	1	\$ 6,302,340.00	\$ 246,540.00
4	The Bay of Quinté Railway Company	24	1,395,000.00	
5	The Bessemer and Barry's Bay Railway Company	24	125,000.00	
6	*Brooksby Realty Company	30	2,000.00	
7	*Canada Atlantic Transit Company	1	219,000.00	
8	*Canada Atlantic Transit Company of U.S.	1	250,000.00	
9	The Canadian Express Company	1	1,768,800.00	
10	Canadian National Electric Railways	24	1,750,000.00	
11	Canadian National Express Company	25	1,000,000.00	
12	Canadian National Land Settlement Association	1	—	
13	*Canadian National Railways (France)	1	2,007,400.00	
14	*Canadian National Realities, Limited	24	40,000.00	
15	Canadian National Rolling Stock Limited	1	50,000.00	
16	*Canadian National Steamship Company, Limited	48	15,000.00	
17	Canadian National Telegraph Company	24	500,000.00	
18	*Canadian National Transportation, Limited	1	500.00	
19	The Canadian Northern Alberta Railway Company	24	3,000,000.00	
20	Canadian Northern Manitoba Railway Company	24	250,000.00	
21	The Canadian Northern Ontario Railway Company	24	10,000,000.00	
22	Canadian Northern Pacific Railway Company	24	25,000,000.00	
23	The Canadian Northern Quebec Railway Company	24	9,550,000.00	3,849,200.00
24	The Canadian Northern Railway Company	1	18,000,000.00	
25	The Canadian Northern Railway Express Company, Limited ..	24	1,000,000.00	
26	Canadian Northern Steamships, Limited	24	2,000,000.00	
27	Canadian Northern System Terminals (Limited)	24	2,000,000.00	
28	Canadian Northern Western Railway Company	24	2,000,000.00	
29	Cannar Oils Limited	1	100.00	
30	*The Centmont Corporation	32	176,400.00	
31	The Central Ontario Railway	24	3,331,000.00	
32	Central Vermont Railway, Inc.	1	10,000,000.00	
33	Central Vermont Terminal, Inc.	32	5,000.00	
34	*Central Vermont Transit Corporation	30	5,000.00	
35	*Central Vermont Warehouse, Inc.	30	5,000.00	
36	The Champlain and St. Lawrence Railroad Company	1	50,000.00	
37	*Consolidated Land Corporation	51	64,000.00	
38	*Continental Realty & Holding Company	14	90,000.00	
39	*The Dalhousie Navigation Company, Limited	24	50,000.00	
40	*Duluth and Virginia Realty Company	38	45,000.00	
41	Duluth, Rainy Lake & Winnipeg Railway Company	43	2,000,000.00	
42	Duluth, Winnipeg and Pacific Railroad Company	43	100,000.00	
43	Duluth, Winnipeg and Pacific Railway Company	24	3,100,000.00	
44	*Grand Trunk-Milwaukee Car Ferry Company	51	200,000.00	
45	The Grand Trunk Pacific Branch Lines Company	48	200,000.00	
46	*The Grand Trunk Pacific Development Company, Limited ...	48	3,000,000.00	
47	*Grand Trunk Pacific Dock Company, of Seattle	48	150,000.00	
48	The Grand Trunk Pacific Railway Company	1	24,940,200.00	
49	The Grand Trunk Pacific Saskatchewan Railway Company ...	48	20,000.00	
50	*Grand Trunk Pacific Terminal Elevator Company, (Limited) ..	48	501,000.00	
51	{Grand Trunk Western Railroad Company (Common)}	1	20,000,000.00	
	{Grand Trunk Western Railroad Company (Preferred)}		25,000,000.00	
52	The Great North Western Telegraph Company of Canada (Including \$331,500.00 held in escrow)	17	373,625.00	6,925.00
53	The Halifax and South Western Railway Company	24	1,000,000.00	
54	*Industrial Land Company	51	1,000.00	
55	International Bridge Company	1	1,500,000.00	
56	The James Bay and Eastern Railway Company	24	125,000.00	
	Carried Forward		<u>\$184,257,365.00</u>	<u>\$ 4,102,665.00</u>

**COMPANIES COMPRISING THE CANADIAN NATIONAL
RAILWAY SYSTEM (Continued)**

CAPITAL STOCKS OWNED BY SYSTEM OR PUBLIC (CONT'D)

Company Number	NAME OF ISSUING COMPANY	Owned by Company Number	Capital Stock Issued	Owned by Public
	Brought Forward		\$184,257,365.00	\$ 4,102,665.00
57	The Lake Superior Terminals Company Limited.....	24	500,000.00	
58	The Maganetawan River Railway Company.....	1	30,000.00	
59	Manitoba Northern Railway Company.....	1	500,000.00	
60	The Marmora Railway and Mining Company.....	24	128,600.00	
61	The Minnesota and Manitoba Railroad Company.....	24	400,000.00	
62	The Minnesota and Ontario Bridge Company.....	24	100,000.00	
63	Montreal and Province Line Railway Company.....	30	1,000,000.00	
64	*Montreal and Southern Counties Railway Company.....	1	500,000.00	165,600.00
65	The Montreal and Vermont Junction Railway Company.....	32	197,300.00	
66	*Montreal Fruit & Produce Terminal Company, Limited.....	1	500.00	
67	*The Montreal Stock Yards Company.....	1	350,000.00	
68	*The Montreal Warehousing Company.....	1	236,000.00	12,240.00
69	Mount Royal Tunnel and Terminal Company, Limited.....	24	5,000,000.00	
70	Muskegon Railway and Navigation Company.....	51	161,293.00	
71	*National Terminals of Canada, Limited.....	1	2,500.00	
72	National Transcontinental Railway Branch Lines Company...	1	500.00	
73	*The Niagara, St. Catharines and Toronto Railway Company..	24	925,000.00	
74	*The Niagara, St. Catharines and Toronto Navigation Company (Limited).....	73	100,000.00	
75	*The Oshawa Railway Company.....	1	40,000.00	
76	The Ottawa Terminals Railway Company.....	1	250,000.00	
77	The Pembroke Southern Railway Company.....	1	107,800.00	
78	*Prince George, Limited.....	1	10,000.00	
79	*Prince Rupert, Limited.....	1	10,000.00	
80	The Quebec and Lake St. John Railway Company.....	24	4,508,300.00	489,160.00
81	The Qu'Appelle, Long Lake and Saskatchewan Railroad and Steamboat Company.....	24	201,000.00	
82	*Rail & River Coal Company.....	1	2,000,000.00	
83	St. Boniface Western Land Company.....	24	250,000.00	
84	The St. Charles and Huron River Railway Company.....	24	1,000.00	
85	St. Clair Tunnel Company.....	1	700,000.00	
86	The Stanstead, Shefford and Chambly Railroad Company.....	30	608,333.33	
87	*The Thousand Islands Railway Company.....	1	60,000.00	
88	†Trans-Canada Air Lines.....	1	4,600,000.00	
89	The United States and Canada Rail Road Company.....	1	219,400.00	475.00
90	Vermont and Province Line Railroad Company.....	1	200,000.00	
91	The Winnipeg Land Company Limited.....	24	100,000.00	
			<u>\$208,254,891.33</u>	<u>\$ 4,770,140.00</u>

The Income Accounts of Companies indicated (*) are included in the System Income Account as "Separately Operated Properties."

†Treated as an Affiliated Company.

RAILWAY EQUIPMENT

	December 31, 1942	Additions During Year	Retirements During Year	Conversions During Year Added	Retired	December 31, 1943
LOCOMOTIVES:						
Passenger—Freight.....	2,070	29	24			2,075
Switching.....	434	1	1			434
Electric.....	24					24
Oil Electric.....	27					27
Total.....	2,555	30	25			2,560
FREIGHT EQUIPMENT:						
Box Cars.....	62,879	2,238	143	2	462	64,514
Flat Cars.....	5,279		7		25	5,247
Stock Cars.....	3,069		2			3,067
Coal Cars.....	14,314	487	62			14,739
Tank Cars.....	148		1			147
Refrigerator Cars.....	3,091	100	18			3,173
Caboose Cars.....	1,563		31	150		1,682
Other Cars in Freight Service.....	10					10
Total.....	90,353	2,825	264	152	487	92,579
PASSENGER EQUIPMENT:						
Coach Cars.....	1,196		1	15		1,210
Combination Cars.....	273					273
Dining Cars.....	93					93
Colonist Cars.....	179	9		3		191
Parlor Cars.....	65				7	58
Cafe Cars.....	30				2	28
Sleeping Cars.....	308		2		4	302
Tourist Cars.....	47					47
Baggage and Express Cars.....	994	50	1	18	3	1,058
Postal Cars.....	49					49
Unit Cars.....	47		3			44
Other Cars in Passenger Service.....	62		1	1	6	56
Total.....	3,343	59	8	37	22	3,409
WORK EQUIPMENT:						
Business Cars.....	62				1	61
All Other Cars in Company's Service.....	7,065	27	141	324	3	7,272
Total.....	7,127	27	141	324	4	7,333
FLOATING EQUIPMENT:						
Car Ferries.....	9					9
Barges.....	4	1				5
Tugs.....	4					4
Work.....	4					4

STATISTICS OF RAIL-LINE OPERATION

TRANSPORTATION SERVICE

	Freight		Passenger		Total	
	1943	1942	1943	1942	1943	1942
TRAIN MILES:						
Locomotive Drawn.....	44,871,187	42,720,204	22,815,551	21,463,841	67,686,738	64,184,045
Motor Unit Cars.....	—	—	1,004,401	1,134,055	1,004,401	1,134,055
TOTAL.....	44,871,187	42,720,204	23,819,952	22,597,896	68,691,139	65,318,100
LOCOMOTIVE MILES:						
Principal.....	44,894,433	42,742,362	22,815,571	21,463,841	67,710,004	64,206,203
Helper.....	2,505,669	2,222,053	498,520	437,459	3,004,189	2,659,512
Light.....	989,627	957,228	420,464	375,156	1,410,091	1,332,384
Train Switching.....	3,622,691	3,563,046	109,124	111,110	3,731,815	3,674,156
Yard Switching.....	15,708,505	14,762,717	1,401,288	1,243,366	17,109,793	16,006,083
TOTAL.....	67,720,925	64,247,406	25,244,967	23,630,932	92,965,892	87,878,338
CAR MILES:						
Loaded Freight Cars.....	1,191,596,101	1,138,327,325	380,209	788,438	1,191,976,310	1,139,115,763
Empty Freight Cars.....	515,077,717	520,532,110	186,130	559,416	515,263,847	521,091,526
Passenger Coach and Combination Cars.....	7,873,984	8,995,757	87,575,672	73,967,659	95,449,656	82,963,416
Sleeping, Parlor and Observation Cars.....	648,991	1,365,054	55,837,555	50,442,371	56,486,546	51,807,425
Dining Cars.....	67,471	144,846	10,536,990	8,735,400	10,604,461	8,880,246
Other Cars.....	8,384,319	8,658,054	61,866,682	55,680,337	70,251,001	64,338,391
Motor Unit Cars.....	—	—	1,035,229	1,190,445	1,035,229	1,190,445
Caboose.....	43,896,849	41,750,504	1,477,859	1,408,413	45,374,708	43,158,917
TOTAL.....	1,767,545,432	1,719,773,650	218,896,326	192,772,479	1,986,441,758	1,912,546,129

WORK SERVICE

	Train Miles		Locomotive Miles		Car Miles	
	1943	1942	1943	1942	1943	1942
Locomotive Drawn.....	1,865,186	1,546,974	2,321,166	1,867,529	3,279,290	3,577,566
Motor Unit Cars.....	—	130	—	130	—	57
TOTAL.....	1,865,186	1,547,104	2,321,166	1,867,659	3,279,290	3,577,623

STATISTICS OF RAIL-LINE OPERATION (Continued)

	1943	1942
Average mileage of road operated.....	23,494.31	23,494.22
TON-MILES—TRAIN-HOURS IN ROAD SERVICE:		
Gross ton-miles of cars, contents and cabooses.....	78,902,107,402	73,256,924,142
Net ton-miles of freight (revenue and non-revenue).....	38,796,570,833	34,146,595,836
Train-hours in freight road service.....	3,005,447	2,750,961
REVENUE TRAFFIC:		
Tons of freight carried.....	80,426,781	71,545,237
Ton-miles—Revenue freight.....	36,326,990,666	31,729,325,493
Freight revenue.....	\$324,899,724	\$288,462,195
Passengers carried.....	34,500,731	30,363,290
Passenger-miles.....	3,618,808,393	2,707,890,246
Passenger revenue.....	\$66,891,034	\$48,297,258
AVERAGE:		
Miles per revenue ton.....	451.68	443.49
Miles per revenue passenger.....	104.89	89.18
Revenue per ton-mile.....	\$0.00894	\$0.00909
Revenue per passenger-mile.....	\$0.01848	\$0.01784
Revenue per ton.....	\$4.03970	\$4.03189
Revenue per passenger.....	\$1.93883	\$1.59065
AVERAGE PER MILE OF ROAD:		
Ton-miles—Revenue freight.....	1,540,070	1,345,174
Ton-miles—All freight.....	1,651,318	1,453,404
Passenger-miles—Revenue.....	154,029	115,258
Gross Revenue.....	\$18,754.16	\$15,989.23
Gross Expenses (including Taxes, Equipment, Joint Facility Rents and Pension Appropriation).....	\$15,279.53	\$12,799.93
Net Railway operating income.....	\$ 3,474.63	\$ 3,189.30

EMPLOYEES AND THEIR COMPENSATION

	1943	1942	Increase	% Increase
*Average Number of Employees.....	101,126	94,592	6,534	6.91
*Total Payroll.....	\$195,555,045	\$177,042,773	\$18,512,272	10.46
*Includes railway, express and telegraph employees. Excludes hotel and subsidiary company employees.				

DISTRIBUTION OF THE DOLLAR

	Operating Revenue Dollar		Operating Expense Dollar	
	1943	1942	1943	1942
Labour.....	.4116	.4302	.5589	.5591
Fuel.....	.0902	.0875	.1225	.1138
Other Expenses.....	.2346	.2516	.3186	.3271
Total Operating Expenses.....	.7364	.7693	\$1.00	\$1.00
Available for Taxes and other Accounts.....	.2636	.2307	—	—
Total.....	\$1.00	\$1.00	\$1.00	\$1.00
Maintenance of Way Accounts.....	.1528	.1535	.2074	.1995
Maintenance of Equipment Accounts.....	.1642	.1904	.2230	.2475
Traffic Accounts.....	.0128	.0144	.0174	.0187
Transportation Accounts.....	.3619	.3716	.4915	.4831
Miscellaneous Accounts.....	.0122	.0107	.0166	.0138
General Accounts.....	.0325	.0287	.0441	.0374
Total Operating Expenses.....	.7364	.7693	\$1.00	\$1.00
Available for Taxes and other Accounts.....	.2636	.2307	—	—
Total.....	\$1.00	\$1.00	\$1.00	\$1.00

OPERATED MILEAGE, DECEMBER 31st, 1943

Territory	Mileage Owned by Constituent Companies				Mileage of Lines Under Lease or Contract		Mileage of Trackage Rights				Total Operated Road Mileage				Spurs Sidings & Yard Tracks
	1st Main Track	2nd Main Track	3rd Main Track	4th Main Track	1st Main Track	2nd Main Track	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Tracks	1st Main Track	2nd Main Track	3rd Main Track	4th & Other Main Tracks	
Atlantic Region.....	Miles 2,986.76	Miles 50.87	Miles —	Miles —	Miles 82.95	Miles —	Miles 3,076.12	Miles 50.87	Miles —	Miles —	Miles 3,076.12	Miles 50.87	Miles —	Miles —	Miles 928.23
Central Region.....	7,124.66	719.11	16.04	10.81	353.13	27.85	7,505.64	751.72	18.17	4.10	7,505.64	751.72	18.17	14.91	2,734.57
Western Region.....	11,091.01	86.24	—	—	378.22	4.36	11,533.30	113.64	—	—	11,533.30	113.64	—	—	2,551.03
Grand Trunk Western Lines.....	956.26	363.18	10.62	—	9.50	—	1,025.51	369.51	11.98	0.99	1,025.51	369.51	11.98	0.99	778.50
Central Vermont Lines	237.90	0.63	—	—	125.18	0.03	421.81	33.41	—	—	421.81	33.41	—	—	157.83
*Total Mileage.....	22,396.59	1,220.03	26.66	10.81	872.44	13.70	23,562.38	1,319.15	30.15	5.09	23,562.38	1,319.15	30.15	15.90	7,150.16
Lines in Canada.....	20,987.00	855.65	16.04	10.81	565.43	12.56	21,722.91	911.11	18.17	4.10	21,722.91	911.11	18.17	14.91	6,052.97
Lines in United States	1,409.59	364.38	10.62	—	307.01	1.14	1,839.47	408.04	11.98	0.99	1,839.47	408.04	11.98	0.99	1,097.19

*Separately Operated Lines (Gasoline Electric and Electric) not included.

WORLD-WIDE SERVICE OF THE CANADIAN NATIONAL

The Canadian National maintains service offices in the British Isles, Australia, New Zealand and the United States to render helpful service and to give information to the military, industrial and civilian public in connection with the traffic and other interests of the Company and of Canada generally. The principal offices of this kind are located at the following points:

United States

Boston Mass.
Buffalo N.Y.
Birmingham Ala.
Cedar Rapids Iowa
Chicago Ill.
Cincinnati Ohio
Cleveland Ohio
*Detroit Mich.
Duluth Minn.
Flint Mich.
Grand Rapids Mich.
Kansas City Mo.
Los Angeles Cal.
Mason City Iowa
Memphis Tenn.

Milwaukee Wis.
Minneapolis Minn.
New Haven Conn.
New Orleans La.
*New York N.Y.
Omaha Neb.
Philadelphia Pa.
Pittsburgh Pa.
Portland Me.
Portland Ore.
St. Albans Vt.
St. Louis Mo.
St. Paul Minn.
Saginaw Mich.
San Francisco Cal.
Seattle Wash.

South Bend Ind.
Toledo Ohio
Tulsa Okla.
Washington D.C.

Great Britain

Belfast Ireland
Cardiff Wales
Glasgow Scotland
Liverpool England
*London England
Southampton England

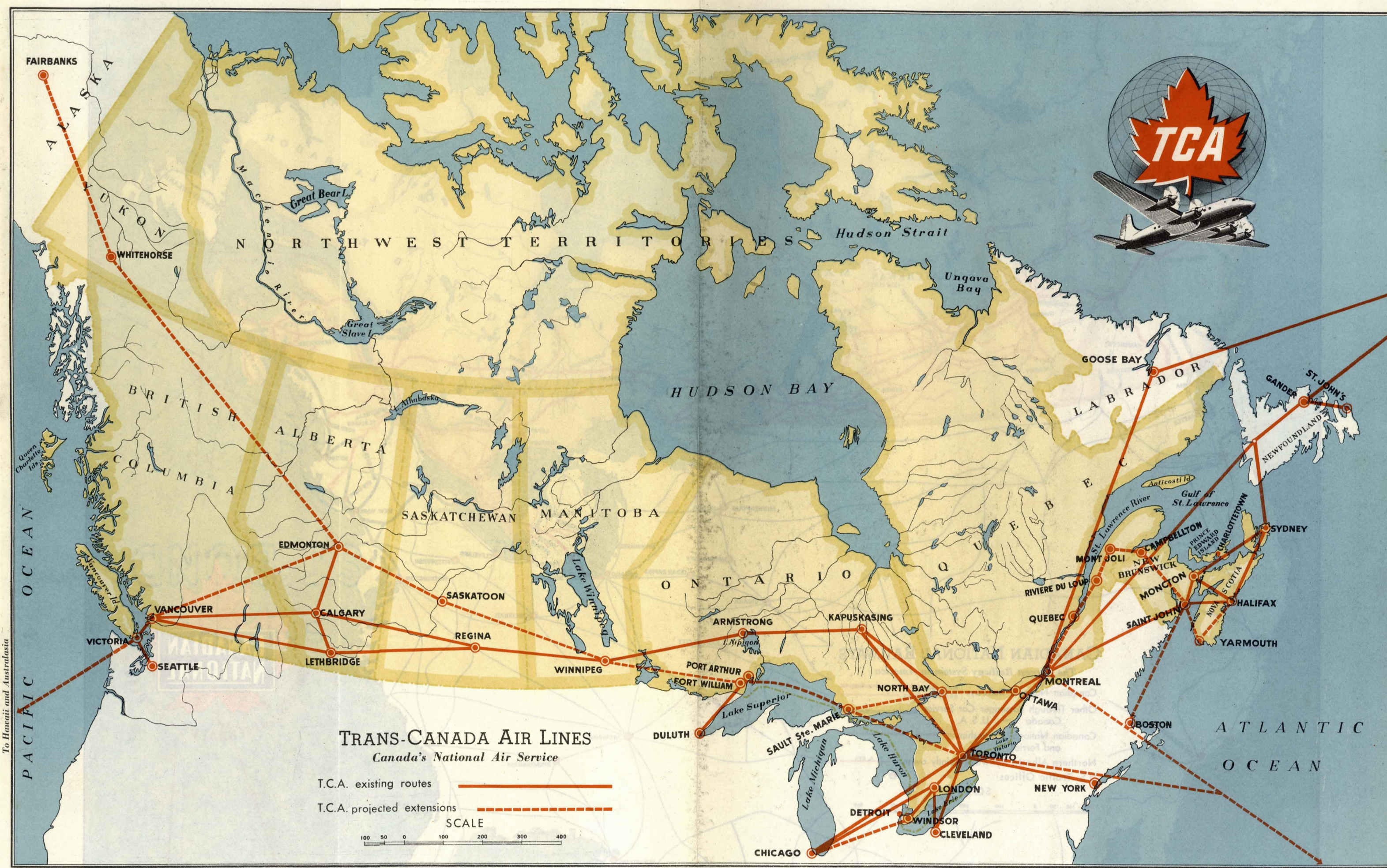
Australia and New Zealand

Melbourne Australia
Sydney Australia
Wellington New Zealand

**Industrial Development representatives located at these points.*



This map shows the location in the United States of the offices referred to above.



TRANS-CANADA AIR LINES
Canada's National Air Service

T.C.A. existing routes —————
T.C.A. projected extensions - - - - -
SCALE
100 50 0 100 200 300 400

To Hawaii and Australasia

To Bermuda, West Indies, etc.



CANADIAN NATIONAL RAILWAYS

The Largest Railway System in America

- Canadian National Railways
MAIN LINES
BRANCH LINES
- Other Through Passenger Car Service
Canada U.S.A.
- Canadian National Steamships
and Ferries
- Northern Alberta Railways (jointly owned) N.A. RYS.
- U.S. Traffic Offices

SCALE

150 100 50 0 100 200 300 400 500

Serves all the Provinces of Canada and many Sections of the United States

LITHOGRAPHED IN CANADA 3-47

